

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF NEW YORK

In re:

THE ALBERT LINDLEY LEE MEMORIAL HOSPITAL
a/k/a A.L. LEE MEMORIAL HOSPITAL,

Case No. 09-30845
Chapter 11 Case

Debtor.

ORDER APPROVING KEY EMPLOYEE INCENTIVE PLAN

Debtor The Albert Lindley Lee Memorial Hospital, a/k/a A.L. Lee Memorial Hospital (the “Debtor”), having moved this Court for an Order, pursuant to 11 U.S.C. §§ 105, 363(b) and 503, authorizing and approving the implementation of a program which will provide certain employees with incentive payments to continue maximizing the value of the Debtor’s assets and providing for the orderly liquidation of the Debtor’s estate for the benefit of its creditors;

NOW, upon reading and filing the Affidavit in Support of Application for Order Reducing Time for Hearing to Consider Debtor’s Motion for Order Approving Key Employee Incentive Plan sworn to the 4th day of June, 2009, the Order Reducing Time for Notice of Hearing to Consider Debtor’s Motion for Order Approving Key Employee Incentive Plan dated June 4, 2009, the Notice of Motion by Debtor for Order Approving Key Employee Incentive Plan dated June 4, 2009 and the Motion by Debtor for Order Approving Key Employee Incentive Plan dated June 4, 2009 (the “Motion”) in support of the relief requested; and upon reading and filing the Affidavit in Response to Motion by Debtor Approving Key Employee Incentive Plan sworn to by Lee E. Woodard, Esq. on the 8th day of June, 2009 on behalf of Fulton Savings Bank; and a hearing concerning the Motion having been held by the Court on June 8, 2009 in

Syracuse, New York; and the Debtor having appeared by Bond, Schoeneck & King, PLLC (Stephen A. Donato, Esq., of counsel) in support of the relief requested; and appearances having been entered on behalf of the Official Committee of Unsecured Creditors by Arent Fox LLP (Robert M. Hirsh, Esq., of counsel), Fulton Savings Bank by Harris Beach PLLC (Lee E. Woodard, Esq., of counsel) and the Office of the United States Trustee by Guy A. Van Baalen, Esq.; and upon due deliberation of the Court and good cause appearing therefor, it is hereby **ORDERED**, that the Motion is granted in its entirety; and it is further **ORDERED**, that the Incentive Plan proposed by the Debtor, as more fully described in the Motion, is hereby approved in its entirety; and it is further **ORDERED**, that the employees identified in the corrected Exhibit "A" attached hereto are eligible to participate in the Incentive Plan; and it is further **ORDERED**, that this Court shall retain jurisdiction with respect to any and all matters related to, or arising from, the implementation of this Order.

Dated: June 8, 2009
Syracuse, New York


Hon. Margaret Cangilos-Ruiz
United States Bankruptcy Judge

EXHIBIT A

Essential Employees

<u>Employee</u>	<u>Title</u>	<u>Proposed Termination Date</u>
Dennis Casey	Executive Director	December 31, 2009
Shirley Seabury	Assistant Director/Operating Officer	August 28, 2009
Louise Sperati	Administrative Assistant	December 31, 2009
Krista Fox	Human Resources Manager	July 31, 2009
Kim Rossiter	Accounting Supervisor	July 31, 2009
Kathy Harris	Equipment/inventory specialist	August 28, 2009
Helen Flora	Accounts receivable/accounts payable	December 31, 2009